

## **Testimony of Thomas Strahle Representing Pepsi Cola Bristol In Opposition to Senate Bill 57**

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Good Morning, Chairman Meyer, Chairman Roy and members of the Environment Committee, my name is Tom Strahle. I run a small business in Bristol, CT. Please consider the following as reasons to reject SB57:

- Pepsi Bristol laid off 6 people, 10% of our workforce after the Bottle Bill was expanded to include water. All of these employees had medical benefits and 401K profit sharing with 8 Holidays and 4 weeks vacation after 5 years.
- Pepsi Cola Bristol had 5% decreases in sales of bottle bill packages in 2009 and 2010 after the Bottle Bill expansion.
- Stop & Shop, the largest retailer in CT can no longer price carbonated products and water at the same prices as they do in non Bottle Bill States. We discuss this difference EVERY DAY!
- Transshipped or bootlegged products, soda & water, are in excess of 24,000 cases and growing in our territory. Each truck load of cans cost us \$4,406 or \$53,000 in 2010. We have identified 169 accounts that have purchased these products.

CT never gets a penny for these cases because they go against the escheats. If we are 5% of the States CSD business the State is losing unredeemed on 480,000 cases yearly. The bottlers are paying for what they don't collect and the State is out the escheats on this volume. If the State got 30% of the nickels the industry would pay the State \$172,800.

Since the Bottle Bill changed and expanded to water, the transshipment rate is up ten-fold.

If 480,000 cases are now transshipped, NO ONE knows what the real # is.

The 24,000 cases in Bristol are the ones we have found. We don't have the staff to be the enforcer of this law and go behind every door in our market.

This tax on top of all the other taxes that we pay makes the transshipper competitive with no responsibility for handling fees or originating the 5 cent deposit. We cannot survive with this cottage industry of transshippers flourishing outside of the current law. Expansion to other drinks will enrich the transshipper.

Kevin Dietly in his testimony clearly states the benefits to the environment without expansion of the current law to juices, teas and sports drinks. Please reject SB57. This is another tax on state businesses.

Thank you,

Thomas Strahle  
VP, COO

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